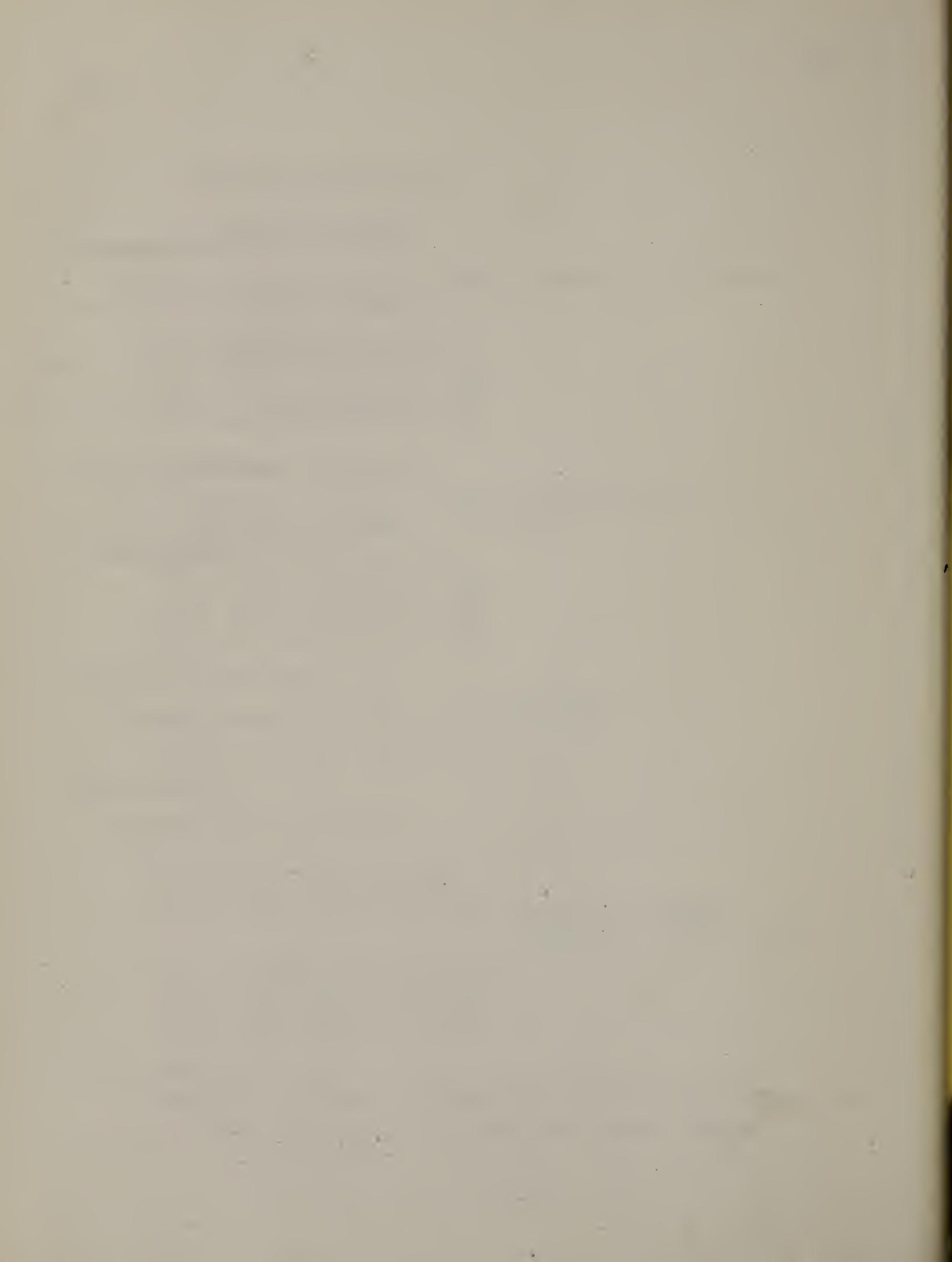


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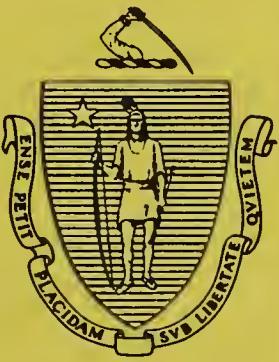
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The Commonwealth of Massachusetts  
Department of Public Utilities

Government Publications  
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University of Massachusetts



Forty-seventh Annual Report  
for the  
fiscal year ending  
June 30, 1970

Publication of This Document Approved by Alfred C. Holland, State Purchasing Agent



November 10, 1970.

To the Honorable Senate and House of Representatives:

We respectfully submit the Forty-seventh Annual Report of the Department of Public Utilities for the fiscal year ended June 30, 1970.

During the fiscal year William I. Cowin (Republican) of Newton served as Chairman of the Commission through designation by the Governor of the Commonwealth. Other members of the Commission holding office during the year were: Helen P. Ross (Republican) of Melrose, Norman Mason (Democrat) of Taunton until December 31, 1969, Robert M. Santaniello (Republican) of Springfield, Edward G. Seferian (Democrat) of Watertown, Herbert E. Tucker, Jr. (Democrat) of Wellesley, Rudolph A. Sacco (Republican) of Pittsfield and Irving E. Kane (Democrat) of Lynn.

RETURNS

The number of corporations, private firms and municipal corporations, persons or associations under the jurisdiction of the Department who were required to file annual returns for the calendar year ended December 31, 1969 with the Accounting Division are listed as follows:

|                     |    |  |    |
|---------------------|----|--|----|
| Railroads           | 15 | Manufacturing Companies                |    |
| Street Railways     | 7  | doing an electric business             | 1  |
| Telephone Companies | 7  | Water Companies                        | 65 |
| Telegraph Companies | 1  | Motor Bus Carriers                     | 86 |
| Express Companies   | 1  | Municipal Lighting Plants              | 40 |
| Gas Companies       | 26 | Voluntary Associations                 | 10 |
| Electric Companies  | 15 | Affiliates of Gas & Electric Companies | 12 |

Quarterly financial and statistical reports are required from 50 transportation companies which include railroad, street railway and motor bus companies.

The annual and quarterly returns are checked by the Division to ascertain that they have been properly prepared and that they are correct as to computations. It is also necessary to determine that the respective uniform system of accounts for each type of return are being properly followed by the respective companies. In all cases where errors are found or discrepancies noted, amendments or corrections are obtained after conferences with officers of the reporting utilities or, where possible, by correspondence with the respondent companies.

In addition to the foregoing, there were within the jurisdiction of the Department 524 regular route common carriers, 7883 irregular route common carriers, 8323 interstate licensed carriers, 374 contract carriers and 92 agricultural carriers actively engaged in the transportation of property by motor vehicle for compensation within the Commonwealth. There were also 10 holders of transportation brokers' licenses.

A statistical outline of the work of the Department is as follows:

Petitions and Applications

|                            |      |                       |        |
|----------------------------|------|-----------------------|--------|
| Railroads.....             | 144  | Steamship.....        | 0      |
| Street Railways.....       | 38   | Sale of Securities... | 54     |
| Gas and Electric.....      | 171  | Miscellaneous.....    | 9      |
| Water.....                 | 11   | Airlines.....         | 0      |
| Motor Bus.....             | 263  | Rates and Tariffs.... | 8697   |
| Motor Truck.....           | 1225 |                       |        |
| Telephone & Telegraph..... | 11   | Total .....           | 10,623 |

Complaints

|                      |     |                        |      |
|----------------------|-----|------------------------|------|
| Railroads.....       | 124 | Motor Truck.....       | 474  |
| Street Railways..... | 21  | Telephone & Telegraph. | 3576 |
| Gas.....             | 737 | Sale of Securities.... | 8    |
| Electric.....        | 852 | Rates and Tariffs....  | 13   |
| Water.....           | 11  |                        |      |
| Motor Bus.....       | 105 | Total.....             | 5921 |

Rate Schedules

|                                   |      |  |      |
|-----------------------------------|------|--|------|
| Railroads (Freight & Passenger)   | 1022 | Telephone                                | 32   |
| Gas and Electric.....             | 299  | Telegraph                                | 2    |
| Street Railways.....              | 57   | Miscellaneous                            | 43   |
| Water.....                        | 6    | Railway Express                          | 9    |
| Aircraft (Freight & Passenger) .. | 5    | Motor Truck<br>(Examined & Accepted)     | 3750 |
|                                   |      | (Examined & Rejected)                    | 756  |
|                                   |      | Annual Motor Carrier of Property Reports | 2759 |
|                                   |      | Total .....                              | 8697 |

The receipts of the Department of Public Utilities for the fiscal year from July 1, 1969 to June 30, 1970 are given below:

ADMINISTRATION DIVISION

|   |               |
|---|---------------|
| Meter Inspection Fees   | \$88,929.00   |
| Filing of Certain Documents (Administration, Rates,<br>Accounting, Railway & Bus) | 64,240.60     |
| Sale of Forms   | 217.60        |
| Bus Drivers' Examinations   | 5,259.00      |
| Bus Permits   | 14,634.50     |
| Bus Drivers' Licenses   | 17,906.50     |
| Bus Inspections   | 2,655.00      |
| Miscellaneous   | <u>192.72</u> |
| TOTAL   | \$194,034.92  |

COMMERCIAL MOTOR VEHICLE DIVISION

|   |               |
|---|---------------|
| Copies of Documents                                     | 219.40        |
| Motor Carrier Stock Acquisition                         | 320.00        |
| Certificates, Permits, Licenses (and transfers of same) | 12,050.00     |
| Plate Fees (and transfers of same)                      | 360,568.00    |
| Duplicate Plates and Plate Certificates                 | 525.00        |
| Postage   | 13,409.97     |
| Miscellaneous   | <u>194.00</u> |
| TOTAL   | \$387,286.37  |

SECURITIES DIVISION

|  |                     |
|--|---------------------|
| Fees (Notice of Intentions and Petitions)      | 43,170.00           |
| Brokers' and Salesmen's Licenses               | 231,300.00          |
| Miscellaneous                                  | <u>36.00</u>        |
| TOTAL  | \$274,506.00        |
| Rentals (Cambridge Subway)                     | <u>96,030.00</u>    |
| TOTAL DEPARTMENTAL INCOME FOR 1970 FISCAL YEAR | <u>\$951,861.79</u> |

Capital Stock and Bonds

Eighteen applications for the approval of the issue and sale of stock, bonds or notes by gas, water, electric and telephone companies were processed and approved during the period from July 1, 1969 to June 30, 1970. The par value of the stock requested totalled \$29,437,130 and the total proceeds at the issue price amounted to \$31,771,390. Long-term debt consisting of bonds or notes amounted to \$242,750,000.

The following table shows the securities approved for the several companies including both the par value of the stock and the issue price thereof as required by law:

|                                 |               |     | Amount at<br>Par | Issue<br>Price | Proceeds at<br>Issue Price | Bonds-Notes | Date    |
|---------------------------------|---------------|-----|------------------|----------------|----------------------------|-------------|---------|
| Barnstable Water Co.            | \$            | \$  |                  |                | \$ 250,000(N)              |             | 7/15/69 |
| Milford Water Co.               |               |     |                  |                | 500,000(N)                 |             | 7/15/69 |
| Buzzards Bay Gas Co.            |               |     |                  |                | 1,200,000(B)               | 7/30/69     |         |
| Lowell Gas Co.                  |               |     |                  |                | 1,500,000(B)               | 8/14/69     |         |
| New England Power Co.           | 10,000,000(P) | 100 | 10,000,000(P)    | 15,000,000(B)  | 8/28/69                    |             |         |
| Boston Gas Co.                  |               |     | 15,000,000(N)    | 9/10/69        |                            |             |         |
| Boston Edison Co.               |               |     | 50,000,000(B)    | 11/12/69       |                            |             |         |
| Fitchburg Gas & Elec. Light Co. |               |     | 7,500,000(N)     | 2/13/70        |                            |             |         |
| Springfield Gas Light Co.       |               |     | 8,000,000(N)     | 2/13/70        |                            |             |         |
| Boston Gas Co.                  |               |     | 25,000,000(B)    | 3/25/70        |                            |             |         |
| Lowell Gas Co.                  |               |     | 1,000,000(B)     | 4/29/70        |                            |             |         |
| Montaup Electric Co.            |               |     | 8,500,000(B)     | 4/29/70        |                            |             |         |
| Worcester Gas Light Co.         | 3,000,000     | 25  | 3,000,000        | 8,000,000(B)   | 4/29/70                    |             |         |
| Western Mass. Electric Co.      | 15,000,000(P) | 100 | 15,000,000(P)    | 30,000,000(B)  | 5/6/70                     |             |         |
| Lowell Gas Co.                  | 400,000       | 23  | 920,000          | 5,000,000(N)   | 5/6/70                     |             |         |
| Buzzards Bay Gas Co.            | 400,000       | 21  | 840,000          | 1,300,000(B)   | 5/13/70                    |             |         |
| Brockton Taunton Gas Co.        | 637,130       | 23  | 2,011,390        | 5,000,000(N)   | 5/13/70                    |             |         |
| Boston Edison Co.               |               |     | 60,000,000(B)    | 6/30/70        |                            |             |         |

{P} Preferred Stock  
(N) Notes

During the year the Department also held hearings and approved the investment by Massachusetts companies of funds in associated or affiliated companies. Listed below are the names of the companies and the amount and nature of the investment for which authorization and approval was granted.

Fall River Electric Company, D.P.U. 16477, April 29, 1970.

The Department approved the investment of funds of the Fall River Electric Company in the Montaup Electric Company by the purchase of \$2,514,500 principal amount of 30-Year Debenture Bonds and the purchase of 3,694 shares of Montaup Electric Company stock from the Blackstone Valley Electric Company, resulting in a 26 per cent ownership by the Fall River Electric Company in the Montaup Electric Company, and resulting in increased equity investment of \$413,694.

Brockton Edison Company, D.P.U. 16478, April 29, 1970.

The Department approved the investment of funds of the Brockton Edison Company in the Montaup Electric Company by the purchase of \$3,698,000 principal amount of 30-Year Debenture Bonds and the purchase of 4,650 shares of Montaup Electric Company common stock from the Blackstone Valley Electric Company, resulting in an increased equity investment by Brockton Edison Company of \$521,551 constituting 39 per cent of the total equity investment after the purchase.

Fitchburg Gas and Electric Company, D.P.U. 16113-B, June 24, 1970.

The Department approved an extension of an approval granted May 14, 1969 and it increased the permissible amount of \$565,000 to \$977,000 by which the Fitchburg Gas and Electric Company could lend its funds to or guarantee or endorse indebtedness of its subsidiaries (the Massachusetts Natural Gas Company, North County Supply Company, Gardner Pipeline Company and Gardner Gas Fuel and Light Company).

LEGISLATIVE RECOMMENDATIONS

• AN ACT AUTHORIZING THE DEPARTMENT OF PUBLIC UTILITIES TO ENTER INTO A COOPERATIVE AGREEMENT WITH THE INTERSTATE COMMERCE COMMISSION AND THE UNITED STATES DEPARTMENT OF TRANSPORTATION RELATIVE TO HIGHWAY TRANSPORTATION.

This bill provides the Department with authority to enter into cooperative agreements with two Federal agencies, namely, the Interstate Commerce Commission and the Department of Transportation.

It is the understanding of the Department that Massachusetts is the only state having jurisdiction over motor carriers of property which does not have such agreements in effect. There is no additional expense involved. Both Federal agencies and the motor carrier industry as a whole is in support of such legislation which has been suggested and sponsored by the various regulatory commissions.

THIS BILL WAS AMENDED BY BOTH BRANCHES OF THE GENERAL COURT TO AUTHORIZE THE GOVERNOR OF THE COMMONWEALTH (rather than the Department of Public Utilities) TO ENTER INTO SUCH AGREEMENTS WITH THE FEDERAL AGENCIES AND IT WAS SIGNED INTO LAW ON AUGUST 26, 1970 AS CHAPTER 782 OF THE ACTS OF 1970 AND CARRIED AN EMERGENCY PREAMBLE WHICH MADE IT EFFECTIVE UPON BEING SIGNED.

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• AN ACT ELIMINATING THE RECIPROCITY AGREEMENT WITH OTHER STATES IN THE MATTER OF CARRIER PLATE FEES.

Chapter 159B of the General Laws presently provides reciprocity with other states in the matter of various carrier plate fees.

Last year New Hampshire and Rhode Island eliminated reciprocity with other states, which means that Massachusetts now is the only New England state affording such reciprocity.

The elimination of such reciprocity will provide additional fees to the Commonwealth of approximately \$263,000, based on the figures for the year 1968.

THIS LEGISLATIVE RECOMMENDATION WAS REJECTED BY BOTH BRANCHES OF THE GENERAL COURT.

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• AN ACT TO AMEND THE REGULATION OF THE STORAGE, TRANSPORTATION AND DISTRIBUTION OF GAS.

The recently formed Federal Department of Transportation was granted authority over the safety of all interstate and intrastate gas pipelines about a year ago. Subsequent to that date this agency adopted all of the individual state codes as their interim regulation pending the completion of a National Safety Code, probably in the mid-1970's. At the same time inspection and enforcement of these codes was left to those states certifying that they were able and willing to do this work. This Department agreed and signed all of the necessary documents and papers. A specific requirement of any federal code is the inclusion of a financial

penalty, of substantial size, for failure to comply with any of the provisions of their code. Most state laws, including those of Massachusetts, do not provide this authority; thus legislation is necessary.

THIS LEGISLATIVE RECOMMENDATION WAS SENT TO A STUDY BY THE HOUSE OF REPRESENTATIVES, BUT THE STUDY ORDER WAS REJECTED BY THE SENATE.

4. AN ACT CLARIFYING THE LAW RELATIVE TO THE ISSUANCE OF SPECIAL SERVICE OR SCHOOL SERVICE BUS PERMITS.

This recommendation would eliminate the necessity of having the Department notify the carriers serving the point of destination of the filing of any application to perform special service or school service. At the present time the Department is required to serve notice of such filings upon the common carriers and holders of permits at both the point of origin and the point of destination. It is our opinion that the carriers at the point of destination are not adversely affected by such operations and that the carriers which the law seeks to protect are those serving the point of origin.

THIS RECOMMENDATION WAS PASSED BY BOTH BRANCHES OF THE GENERAL COURT AND WAS SIGNED INTO LAW AS CHAPTER 335 OF THE ACTS OF 1970.

5. AN ACT FURTHER REGULATING THE DISTANCE BETWEEN SETS OF TRACKS, STRUCTURES OR OBSTRUCTIONS: EXEMPTIONS.

The attached amendment to Section 134A of Chapter 160 of the General Laws adds to the first paragraph thereof the provision for additional spacing between parallel tracks where there is track curvature. It further seeks to include in the second paragraph additional spacing from track centers to side construction items such as bridge piers, bents or abutments, where there is track curvature.

THIS LEGISLATIVE RECOMMENDATION WAS REJECTED BY THE GENERAL COURT.

6. AN ACT RELATIVE TO PROTECTION AT GRADE CROSSINGS.

The purpose of this proposed amendment of Section 147 of Chapter 160 of the General Laws is to eliminate the provision which excludes those communities in the so-called Massachusetts Bay Transportation Authority Area from bearing any part of the cost of installing grade crossing protection within their confines. We do not believe that these municipalities should be afforded any benefits or concessions which are not afforded to other municipalities who may be required to pay their just and equitable share of any such grade crossing protection.

THIS LEGISLATIVE RECOMMENDATION WAS REJECTED BY BOTH BRANCHES OF THE GENERAL COURT.

NEW LEGISLATION ENACTED

As the result of an alarming increase in the number of railroad freight derailments in recent years not only in Massachusetts but throughout the nation, the General Court gave considerable attention to this subject matter during its 1970 session, and enacted certain measures related thereto.

Among the measures adopted were the following:

CHAPTER 879 OF THE ACTS OF 1970 - AN ACT ESTABLISHING A DIVISION OF RAILROAD TRACK INSPECTION WITHIN THE DEPARTMENT OF PUBLIC UTILITIES.

Section 7 of chapter 25 of the General Laws is hereby amended by adding the following paragraph:- There shall be in the department a division of railroad track inspection which shall be charged with inspecting and reporting the condition and safety factor of all railroad track in the commonwealth. Said division shall maintain a continuous up to date cumulative record of all such inspections which shall be available to the public.

CHAPTER 201 OF THE ACTS OF 1970 - AN ACT RELATIVE TO THE REMOVAL OF WRECKAGE AND DEBRIS CAUSED BY RAILROAD DERAILMENTS.

Chapter 160 of the General Laws is hereby amended by inserting after section 241 the following section:- SECTION 241A. Every railroad corporation shall within thirty days after a derailment on any right-of-way or location upon which it operates its railroad remove all wreckage and debris caused by such derailment. Any violation of the provisions of this section shall be punished by a fine of fifty dollars and each day of such violation shall constitute a separate offense.

CHAPTER 137 OF THE ACTS OF 1970 - AN ACT REQUIRING COMMON CARRIERS, RAILWAYS AND RAILROAD COMPANIES TO SUBMIT EVIDENCE TO THE DEPARTMENT OF PUBLIC UTILITIES RELATIVE TO THEIR COMPLIANCE WITH CERTAIN DEPARTMENT ORDERS.

Section 16 of chapter 159 of the General Laws, as appearing in the Tercentenary Edition, is hereby amended by adding the following two sentences:- Every such common carrier, railroad or railway company shall submit evidence to the department within thirty days after such order is served upon it that it has complied, or is in the process of complying, with such order. The two preceding sentences shall not be applicable to any particular order issued under this section pending appeal from such order.

\*NOTE - In connection with railroad freight derailments within the Commonwealth, the Department on its own motion entered upon an investigation of the subject matter and after public hearings promulgated proposed new rules and regulations which are included elsewhere in this Annual Report.

LEGISLATIVE INVESTIGATION

Chapter 71 of the Resolves of 1969 authorized and directed the Department of Public Utilities to conduct an investigation and study of the subject matter of requiring railroads operating within the Commonwealth to erect fences along their railroad tracks, as well as to study the question of establishing a procedure to be followed in requiring the erection of fences by railroads in the interest of public safety.

The Department conducted the investigation as directed by the Resolve and under date of January 28, 1970 filed a Special Report with the Clerk of the House of Representatives in which it recommended adoption of a bill which would have cities and towns initiate action requiring erection of such fences along the right-of-way of a railroad.

In its report to the General Court, the Department stated "We favor the principle of the proposed legislation as an adjunct of safety to the public, and we feel that the attached recommended legislation, which provides for initial action by the executive branch of a city or town affected, is the most effective way to attack this problem. We do not have sufficient railroad inspectors to canvas every mile of railroad right-of-way to determine which may or may not need fencing, and the recommended procedure will bring to the attention of the Department those areas where the mayor of a city or the selectmen of a town feel that corrective measures ought to be adopted.

"We gave considerable attention to placement of the burden of initiating action. Our experience indicates that the mayor of a city or the selectmen of a town would be more responsive to the general public good. Our experience further indicates that where groups of citizens are authorized to initiate actions of this sort said groups do not always reflect the sentiments of the community as a whole".

The local option bill recommended by the Department, however, was rejected by the General Court.

INVESTIGATIONS

Acting upon its own motion and in accordance with the requirements of the Administrative Procedure Act, Chapter 30A of the General Laws, and also under Section 12 of Chapter 159 and Section 76c of Chapter 164 of the General Laws, the Department conducted an investigation as to the propriety of adopting proposed Rules and Regulations governing the practices of gas, electric and telephone companies under the jurisdiction of the Department on matters relating to Billing and Payment of Bills, Meter Reading and the use of Estimated Bills, Termination of Service, Appeals from such Termination of Service and other related matters.

During the course of its investigation the Department advertised the proposed Rules and Regulations throughout the Commonwealth and held a series of public hearings at which the general public and representatives of the various utility companies in the Commonwealth appeared and presented their views on the subject matters. At the conclusion of the public hearings, the commission of the Department took the matter under consideration and it is expected that a final determination will be made in the near future on the formal adoption of the proposed Rules and Regulations.

The Rules and Regulations as proposed are as follows:

REGULATION 1. BILLING AND PAYMENT

All utility bills shall be payable on receipt and shall be "due" for purposes of G.L., c. 164, s. 124, forty-five days after receipt; provided that no bill shall be considered "due" for such purposes in less time than has elapsed between receipt of such bill and receipt of the most recent previous bill for the company's services. "Receipt" throughout these regulations shall be presumed to be three days after date of mailing.

REGULATION 2. ACTUAL METER READINGS AND ESTIMATED BILLS

If a company uses an estimated billing procedure, it shall, at least every other month, make an actual meter reading and render a bill for the

appropriate amount determined by such reading.

If the company is unable to gain access to the meter for any reason other than direct refusal of permission by the customer, the company shall take appropriate measures to guarantee an actual reading such as making appointments, scheduling readings for time periods other than normal business hours, or providing cards on which the customer can note the reading. If the customer fails to reasonably comply with the company's measures under this regulation, the company may render an estimated bill for that billing period.

### REGULATION 3. TERMINATION OF SERVICE

Service can be terminated only if: a bill is not paid within 45 days from receipt; the company thereafter gives three days notice by mail exclusive of Saturdays, Sundays and legal holidays of its intention to terminate; and the bill remains unpaid on the termination date indicated in the written notice. In no event shall service be terminated for failure to pay any bill or any portion thereof as to which there is a complaint, verification, investigation, hearing, or appeal pending under these Regulations. If a customer notes a dispute under Regulation 4, a utility company may terminate service only as provided in this Regulation and only if full payment of any disputed amount has not been made within ten days after receipt of the decision of a Complaints Officer which has not been appealed or within three days after receipt of a decision by the Department of Public Utilities on an appeal. Service shall not be terminated for any reason other than failure to pay a bill, unless the Department certifies its approval after giving both parties an opportunity to be heard, provided that nothing in this Regulation shall be construed to prevent termination for reasons of safety, health, cooperation with civil authorities, or any other reason for which termination power is specifically granted in the General Laws.

REGULATION 4. INVESTIGATION AND APPEAL PRIOR TO TERMINATION

If a customer notifies a representative of the company by telephone, by mail or in person at any time prior to the expiration of the three-day period of notice before termination required under Regulation 3 that any matter related to the billing is disputed including, without limitation, the accuracy of the amount of the bill or the proper party to be billed, the company shall refer the matter to a company-designated Complaint Officer (who may be a member of the company's regular service personnel staff). The Complaint Officer shall investigate the customer's complaint, using any procedures such as actual meter readings as may be necessary, and shall send notice in writing to the customer that the bill was inaccurate or substantiating its accuracy.

The written notice of the decision of the Complaint Officer shall contain the following statement: "If you still consider our bill to be inaccurate in any respect or if you have any other complaint pertaining to this matter, you have a right to appeal within seven days of receipt of this decision by writing or calling the Department of Public Utilities, 100 Cambridge Street, Boston, Massachusetts 02202, in the following manner:

|                                  |  |
|----------------------------------|--|
| <u>For gas complaints:</u>       | call 727-3531<br><br>or write in care of<br>Mr. Stanley Ellis, Chief Engineer  |
| <u>For electric complaints:</u>  | call 727-3565<br><br>or write in care of<br>Mr. Thomas Hayden, Public Utilities<br>Engineer                          |
| <u>For telephone complaints:</u> | call 727-3550,<br><br>or write in care of<br>Mr. John Coughlin, Director,<br>Division of Telephone and<br>Telegraph. |

If within seven days of receipt of the Complaint Officer's decision, the customer notifies the Department of Public Utilities that he wishes to

appeal, a representative of the Department shall notify the company and thereafter shall conduct an investigation giving both parties an opportunity to be heard. Pending final determination of the appeal by the Department, the Department may enter any temporary orders to the company or to the customer which it deems just and equitable.

All utility bills shall contain on the back (or at such other position as is convenient for the company) a brief explanation approved by the Department of the customer's rights contained in this Regulation.

**REGULATION 5. FINAL ORDER**

The Department shall, after an investigation in accordance with Regulation 4, order service to be continued, restored or terminated forthwith upon such terms and conditions as it deems equitable to both the customer and the company.

**REGULATION 6. GENERAL RIGHT TO INVESTIGATION AND HEARING**

Any person aggrieved by any action of a utility company in violation of these Regulations may at any time require an investigation by a Complaints Officer and if still aggrieved, may subsequently appeal to the Department, provided that such person has not previously been granted a hearing on the same matter pursuant to Regulation 4.

Pending final determination of any such appeal, the Department may enter any temporary orders which it deems just and equitable.

**REGULATION 7. MULTIPLE METERS.**

It shall be the policy of all gas and electric companies to discontinue the practice of billing multiple residence units on the basis of a single meter, and to convert to a system whereby each unit which is to be billed has a separate meter measuring only the service rendered to that unit. Until such time as the company converts to multiple meters, it shall render a separate bill to each residence unit and indicate on

each bill what proportion of the total use for the building is being billed to the customer. This proportion shall be based on the number of rooms in each unit being serviced, the number of persons living in each unit, and the use to which the utility service is being put in each unit.

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PROMULGATION OF PROPOSED REGULATIONS  
RELATING TO THE OPERATION OF RAILROAD  
TRAINS AND EQUIPMENT UPON RIGHTS OF  
WAY OF RAILROAD CORPORATIONS OPERATING  
WITHIN THE COMMONWEALTH OF MASSACHUSETTS  
AND SUBJECT TO THE PROVISIONS OF CHAPTERS  
159 AND 160 OF THE GENERAL LAWS.

As hereinbefore noted in this Annual Report, the Department has devoted considerable time and effort to the matter of studying ways and means of eliminating or drastically reducing the increasing number of derailments and other railroad accidents which have occurred in recent years. After public advertising throughout the Commonwealth and public hearings, the Department, by order, adopted new proposed Rules and Regulations affecting the operation of railroad trains and equipment in Massachusetts. The new Rules and Regulations are now in effect on an interim basis and will remain so until the Department takes final action in compliance with the Administrative Procedure Act, Chapter 30A of the General Laws, on the question of adopting the Rules and Regulations on a permanent basis. The proposed Rules and Regulations deal with the subjects of Track Inspection, Track Maintenance, Track Alterations, Car Equipment Control and Miscellaneous, and are as follows:

TRACK INSPECTION

1. Track inspections will be conducted by carriers on a daily basis upon all passenger and all heavy duty track. Less important main lines and important branch lines will be inspected at least three times

each week. All other lines will be inspected at least once each week. Questions regarding the category into which a particular segment of track may fall will be resolved by the Director of the Department's Division of Railway and Bus Utilities.

2. Such inspections will be made by qualified railroad company employees working under the direction of a track supervisory employee. The names of all such inspecting and supervisory employees will be kept on file with the Department.

3. Such inspections shall be made by walking over the track in question, or -- in the alternative -- by riding over the track in a vehicle at such a speed that the condition of the track structure can be accurately observed (and in no instance at a speed in excess of fifteen M.P.H.). Switches, railway crossings and highway crossings shall be inspected at speeds no greater than five M.P.H.

4. Inspections shall include, but not be limited to, observation of road bed, drainage, track alignment, gauge, ties, switch timber, rail joints, rail surface, super elevation, rail anchorage and switches.

5. After each inspection, the track inspector will submit to the Superintendent of the Division in which the track in question is located a written report setting forth all conditions which require correction. A copy of each such report shall be forwarded to the Director of the Division of Railway and Bus Utilities, or to his designee.

6. In addition to the above, the following tracks shall be tested for internal defects at least once a year by operation of rail defect detection equipment such as a sperry car or similar mechanical device:

- (a) All main line track;
- (b) All heavy tonnage freight lines;
- (c) Any branch line over which hazardous commodities may be carried;
- (d) Any other track or portion thereof designated by the Director of the Division of Railway and Bus Utilities.

The Department reserves the right to require such mechanical inspections at more frequent intervals in areas of dense traffic, high operating speed

questionable physical condition. Copies of all reports of such mechanical inspections shall be filed with the Department.

TRACK MAINTENANCE

7. There will be maintained at all times upon the carriers' tracks an amount and a quality of crushed stone or high grade gravel ballast sufficient:

- (a) Obtain a uniform bearing for ties;
- (b) Distribute the load on ties over a maximum area of the roadbed;
- (c) Resist shifting and lateral movement of ties;
- (d) Provide effective track drainage.

8. Ties will be renewed in all instances in which:

- (a) Wear from tie plates exceeds  $1\frac{1}{2}$  inches; or
- (b) Ties have been damaged as a result of rail creeping; or
- (c) Ties exist in which there is no longer any spike holding power.

9. The marking of ties for renewal purposes shall be carried out on divisional basis, and shall not be done on a system-wide basis.

10. Renewal of switch timber shall be accomplished by replacement of complete set or of the largest portion of a set. In such instances any good pieces which have been replaced may be used in yard switches. The practice of replacing individual pieces of switch timber while leaving adjacent defective pieces shall be discontinued.

11. Gauge shall be maintained at a standard measurement of 4 feet 8 1/2 inches. A variation in gauge of less than 1/2 inch wide gauge will not ordinarily be considered objectionable provided that the variation is uniform over a substantial distance. Any variation of 1/2 inch or more wide gauge must be approved by the Director of the Division of Railway and Bus Utilities. Gauge of less than 4 feet 8 1/2 inches shall not be used under any conditions.

12. All rail joints shall be fully bolted, and the bolts shall be kept tight at all times. Bolts which are bent shall be replaced. Particular care shall be exercised at all joint areas to ensure that a good surface is maintained and that the ends of rail sections do not become worn. Curve worn rail

will be transposed or replaced.

13. Minimum rail anchorage shall be maintained as follows: Main line track which carries traffic essentially in one direction shall carry 8 forward anchors and 2 back-up anchors for each 39-foot rail length. Main line track which carries traffic in both directions shall carry 16 anchors for each 39-foot rail length, placed in groups of 8 anchors so that movement in either direction will be resisted. Rail anchorage shall be increased adequately to control creepage of welded rail, as well as at other specific locations designated by the Director of the Division of Railway and Bus Utilities.

14. If a track inspector identifies a condition which renders the track unsafe to tolerate the movement of trains at their authorized speeds, the Superintendent of the Division in which such condition exists, or his designee, shall be given the authority to direct immediate repairs by maintenance crews, place slow orders upon the section of the track in question, or take such other action as is necessary in his judgment to render that track safe for railroad operations. The orders of a Superintendent or his designee given under this regulation shall be reduced to writing, and a copy thereof filed with the Department.

#### TRACK ALTERATIONS

15. Carriers operating in the Commonwealth will prepare and file for the Department's approval a schedule of alterations in all curve elevations which are improper for the kinds and speeds of traffic they are required to carry.

16. Carriers operating in the Commonwealth will prepare and file for the Department's approval a schedule of gradual adoption of a minimum of 140-pound rail on all heavy-duty tracks.

17. Carriers operating in the Commonwealth will prepare and file for

the Department's approval a schedule of gradual adoption of a minimum of 115-pound rail on less important main lines and on important branch lines.

CAR EQUIPMENT CONTROL

18. All freight cars which are to be used in this Commonwealth which have a carrying capacity of 100 tons or more shall be equipped with a "snubber" device approved by the Department and placed on the car so that harmonic rocking will be reduced to the greatest extent possible.

19. The carriers will prepare and file for the Department's approval a plan and schedule for the placement of "hot box detectors" at strategic locations along their tracks within the Commonwealth.

20. Carriers will file with the Department and keep up to date a description of the "interchange" inspection of cars which is conducted by their employees, and a list of employees authorized to conduct such inspections.

21. Carriers will prepare and file for the Department's approval a description of procedures for placing empty cars in freight train consists for the purpose of minimizing the possibility of jackknifing.

MISCELLANEOUS

22. The plans and schedules required pursuant to Regulations Nos. 15, 16, 17, 19 and 21 shall be filed with the Department not later than 60 days after the promulgation of these Regulations.

23. Communication equipment for use of train crews shall be kept in good operating condition at all times.

24. If accidents occur, all remains of the accident shall be removed from the scene by the carrier within 30 days of the accident's occurrence.

25. If a speed restriction has been placed by a carrier or its representative upon any section of track within the Commonwealth, the Department shall be given notice forthwith of the elimination of the restriction.

26. The Department shall be informed of all disciplinary proceedings conducted by a carrier against its employees for operating violations, and the results thereof.

27. Copies of all accident reports filed by the carriers with the U. S. Department of Transportation shall be filed with the Department.

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PROMULGATION OF A MASSACHUSETTS CODE FOR THE INSTALLATION AND MAINTENANCE OF ELECTRIC TRANSMISSION LINES (OVER 50,000 VOLTS PHASE TO PHASE) TO INSURE SAFE AND RELIABLE OPERATIONS OF ELECTRIC COMPANIES AND MUNICIPAL LIGHT DEPARTMENTS, SUBJECT TO CHAPTER 164 OF THE GENERAL LAWS.

Under date of May 6, 1969 and after a two year period of preparation, the Department issued its first Code governing the installation and maintenance of electric transmission lines energized at over 50,000 volts.

This Code establishes overhead line requirements for grounding, clearances, loadings, conductor strength and insulation. For underground lines the same Code establishes requirements for construction of ducts, manholes, cable systems, risers and for location of cables. The above requirements for both overhead and underground lines apply to new installations only.

However, with respect to both new and old transmission lines, this Code requires a strict inspection procedure which includes periodic line inspections by patrolling, resistance testing of splices and other connections, and a check on certain line clearances over water and highways. The utilities are required to keep a record of such tests and make these available to this Department on request.

This Code is, in the opinion of the Department, a considerable improvement in utility regulation.

Also under study at this time is a second Code for lines at voltage less than 50,000 volts with a special section on underground residential distribution (URD).

ADOPTION OF REVISED AND MODIFIED  
GAS SAFETY CODE

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Following eighteen months of review, the Department on October 6, 1970 reissued and updated a modified code for the distribution, operation and maintenance of gas lines, the design, construction, operation and maintenance of oil gas production plants and related facilities, the design, operation and maintenance of liquefied petroleum plants and related facilities, and the design, operation, maintenance and repair of liquefied natural gas (LNG) plants and systems.

This Code establishes regulations for gas distribution piping systems, oil gas plants, metering and regulating stations, liquefied petroleum plants and liquefied natural gas plants. The gas distribution piping regulations contained in Section 1 have been modified to conform to the new regulations of the Federal Department of Transportation, Office of Pipeline Safety, for whom we are acting as agents.

Sections 2, 3 and 4 pertaining to oil gas, metering and regulating stations and liquefied petroleum plants have not had previous regulation and provide for stringent fire protection, venting of buildings, over pressure devices and qualification of personnel operating its plants. These sections require the utility companies to maintain records and inspection reports which are available to the Department at all times.

The final section, Section 5, pertaining to liquefied natural gas plants, outlines regulations for inspection of welding, location of containers, testing of containers, diking of containers, piping requirements, safety equipment and relief devices, fire protection and training of personnel.

This Code enables the Department in one document to encompass the safety regulation of all gas distribution companies and include technological improvements.

Accounting Division

Schedules of additions and retirements to plant and property of the following companies, as filed annually under D.P.U. 4980, were checked by field audits and the associated property was inspected during the fiscal year. A major part of this activity was primarily in conjunction with applications for proposed financing.

Grafton Water Company  
Milford Water Company  
Barnstable Water Company  
Lowell Gas Company  
Buzzards Bay Gas Company  
New England Power Company  
Boston Gas Company  
Boston Edison Company

The following municipal lighting plant properties were inspected and schedules of proposed expenditures examined in connection with requests by the respective plants for approval by the Department of increased depreciation allowances for depreciation of plant and property, in accordance with Section 57 of Chapter 164 of the General Laws.

Ashburnham  
Boylston  
Braintree  
Concord  
Danvers  
Hingham  
Holden  
Hudson  
Littleton  
Mansfield  
Middleboro  
Middleton  
Paxton  
Peabody  
Shrewsbury  
Sterling  
Wakefield  
Wellesley  
West Boylston

The following is a list of the municipal lighting plants with their percentage of earnings which, from the returns filed in 1970 for the calendar year ending December 31, 1969 appear to have violated the provisions of the statutes which state that no municipal lighting plant shall charge rates which result in earnings in excess of 8 per cent of the Cost of Plant in Service per annum.

|            |        |
|------------|--------|
| Boylston   | 8.51%  |
| Georgetown | 9.06%  |
| Groveland  | 10.98% |
| Merrimac   | 8.50%  |
| Middleboro | 9.32%  |
| Middleton  | 8.70%  |
| Reading    | 9.04%  |
| Templeton  | 8.44%  |
| Westfield  | 9.86%  |

ENGINEERING DIVISION

The following municipal light departments were inspected and reports written relating to their petitions for increases in the rate of depreciation:

Ashburnham

Boylston

Braintree

Concord

Danvers

Hingham

Holden

Hudson

Littleton

Mansfield

Marblehead

Middleborough

Middleton

Paxton

Peabody

Reading

Shrewsbury

Sterling

Wakefield

Wellesley

Westfield

West Boylston

D.P.U. 11725-E requires Department approval of gas main installations over, under or in bridges by all Massachusetts gas companies. The following such installations were approved by the Department after examination of the installation plan for compliance with the Department's regulations.

|  |                      |
|--|----------------------|
| Fitchburg Gas and Electric<br>Light Company  | Gardner              |
| Berkshire Gas Company                        | Deerfield-Sunderland |
| Central Mass. Gas Company                    | Warren               |
| Worcester Gas Light Company                  | Dedham               |
| Boston Gas Company                           | Acton                |
| Brockton Taunton Gas<br>Company              | West Bridgewater     |
| Fitchburg Gas and Electric<br>Light Company  | Ashby                |
| Buzzards Bay Gas Company                     | Wareham-Bourne       |
| New England Electric<br>System gas companies | Northampton (7)      |
| Brockton Taunton Gas Company                 | Millis               |
| New Bedford Gas and Edison<br>Light Company  | New Bedford          |
| Fitchburg Gas and Electric<br>Light Company  | Gardner              |
| New Bedford Gas and Edison<br>Light Company  | New Bedford          |
| Brockton Taunton Gas<br>Company              | Medfield-Millis      |

A copy of the approval letter is forwarded to the Department of Public Works in each case of a bridge under that Department's jurisdiction.

Pipeline crossings on bridges

|  |               |
|--|---------------|
| Boston Gas Company                           | Dorchester    |
| New Bedford Gas and Edison<br>Light Company  | New Bedford   |
| New England Electric System<br>Gas Companies | Gloucester    |
| Lowell Gas Company                           | Lowell        |
| Boston Gas Company                           | Quincy-Boston |
| New England Electric System<br>Gas Companies | Gloucester    |
| New England Electric System<br>Gas Companies | Andover       |
| Berkshire Gas Company                        | Pittsfield    |
| New England Electric System<br>Gas Companies | Dudley        |
| Berkshire Gas Company                        | Pittsfield    |

Atomic Energy

Members of the Engineering Division staff made periodic checks of the plant and progress of construction of atomic electric generating plants in Maine, Vermont, Connecticut and Massachusetts.

It should be noted that the utility companies in Massachusetts have a financial interest in each of the foregoing atomic electric plants.

Therefore, this Division, in conjunction with the Accounting Division, must make the same examination of plant for financing purposes as is required by D.P.U. 4980 for all Massachusetts utilities.

PUBLIC HEARINGS

During the past fiscal year, the following public hearings were held by members of the Division and Department decisions were drafted:

ZONING

|              |                                      |               |
|--------------|--------------------------------------|---------------|
| D.P.U. 16208 | Algonquin Gas Transmission Company   | Canton        |
| D.P.U. 16212 | Holyoke Power and Electric Company   | South Hadley  |
| D.P.U. 16281 | Lynn Gas Company                     | Lynn          |
| D.P.U. 16282 | Lawrence Gas Company                 | Lawrence      |
| D.P.U. 16283 | North Shore Gas Company              | Salem         |
| D.P.U. 16301 | Brockton Edison Company              | Easton        |
| D.P.U. 16319 | Massachusetts Electric Company       | Salem         |
| D.P.U. 16320 | Massachusetts Electric Company       | Swampscott    |
| D.P.U. 16363 | Boston Edison Company                | Framingham    |
| D.P.U. 16401 | Haverhill Gas Company                | Haverhill     |
| D.P.U. 16381 | New England Power Company            | Groton        |
| D.P.U. 16442 | Boston Edison Company                | Woburn        |
| D.P.U. 16459 | Lawrence Gas Company                 | Lawrence      |
| D.P.U. 16460 | North Shore Gas Company              | Salem         |
| D.P.U. 16461 | Lynn Gas Company                     | Lynn          |
| D.P.U. 16457 | Boston Gas Company                   | Boston        |
| D.P.U. 16493 | Springfield Gas Company              | E. Longmeadow |
| D.P.U. 16495 | Fitchburg Gas and Electric Light Co. | Lunenburg     |
| D.P.U. 16450 | Boston Edison Company                | Boston        |
| D.P.U. 16442 | Boston Edison Company                | Woburn        |
| D.P.U. 16519 | Worcester Gas Light Company          | Hopkinton     |
| D.P.U. 16532 | Boston Edison Company (Andover)      | Andover       |
| D.P.U. 16526 | Cape and Vineyard Electric Company   | Bourne        |
| D.P.U. 16381 | New England Power Company            | Groton        |
| D.P.U. 16586 | Boston Edison Company                | Sharon        |
| D.P.U. 16519 | Worcester Gas Light Company          | Hopkinton     |
| D.P.U. 16577 | Massachusetts Electric Company       | Manchester    |

Public hearings, cont'd

EMINENT DOMAIN

|              |                                    |              |
|--------------|------------------------------------|--------------|
| D.P.U. 16213 | Holyoke Power and Electric Company | South Hadley |
| D.P.U. 16221 | Tennessee Gas Pipeline Company     | Lee, etc.    |
| D.P.U. 16202 | Algonquin Gas Transmission Company | Canton, etc. |
| D.P.U. 16128 | Cape & Vineyard Electric Company   | Falmouth     |
| D.P.U. 16441 | Boston Edison Company              | Woburn       |
| D.P.U. 16522 | New England Power Company          | Ayer, etc.   |
| D.P.U. 16566 | Algonquin Gas Transmission Company | Avon         |
| D.P.U. 16441 | Boston Edison Company              | Woburn       |
| D.P.U. 16599 | Algonquin Gas Transmission Company | Medford      |
| D.P.U. 16585 | Boston Edison Company              | Canton       |

LOCATIONS

|               |  |            |
|---------------|--|------------|
| D.P.U. 16231  | Boston Edison Company                          | Brighton   |
| D.P.U. 16232  | Boston Edison Company                          | Stoneham   |
| D.P.U. 16280  | New England Telephone & Tel. Company           | Boston     |
| D.P.U. 16299  | New England Telephone & Tel. Company           | Lynn       |
| D.P.U. 16499  | Boston Edison Company                          | Boston     |
| D.P.U. 16558: | New England Telephone and Telegraph<br>Company | Somerville |
| D.P.U. 16578  | Petition of Boston Gas Company                 | Weston     |
| D.P.U. 16609  | New England Power Company                      | Revere     |
| D.P.U. 16584  | Boston Edison Company                          | Canton     |

PUBLIC CONVENIENCE AND NECESSITY

|              |                                    |                         |
|--------------|------------------------------------|-------------------------|
| D.P.U. 16220 | Tennessee Gas Pipeline Company     | Sandisfield             |
| D.P.U. 16255 | Boston Edison Company              | Framingham              |
| D.P.U. 16285 | Boston Edison Company              | Medway, etc.            |
| D.P.U. 16327 | New England Power Company          | Ayer-Tyngsboro          |
| D.P.U. 16362 | Boston Edison Company              | Sherborn-<br>Framingham |
| D.P.U. 16440 | Boston Edison Company              | Woburn                  |
| D.P.U. 16523 | New England Power Company          | Dunstable               |
| D.P.U. 16546 | Boston Edison Company              | Medway, etc.            |
| D.P.U. 16525 | Cape and Vineyard Electric Company | Bourne, etc.            |
| D.P.U. 16442 | Boston Edison Company              | Woburn                  |
| D.P.U. 16575 | Massachusetts Electric Company     | Beverly                 |
| D.P.U. 16576 | New England Power Company          | Salem                   |
| D.P.U. 16611 | Boston Edison Company              | Boston                  |

Public hearings, cont'd

MISCELLANEOUS

|              |                                      |             |
|--------------|--------------------------------------|-------------|
| D.P.U. 16482 | Boston Edison Company                | Rates       |
| D.P.U. 16581 | New Bedford Gas and Edison Light Co. | Gas storage |

RULES AND REGULATIONS

D.P.U. 11725-E Hearing on revision of the Department's rules and regulations for gas distribution companies.

D.P.U. 16475 Hearing on electric safety code for transmission lines in excess of 50 KV.

Electrical Engineering, Including  
Conferences, etc.

Continued study and conference re: development of a Massachusetts Code for electric transmission lines over 50 KV.

Attended meeting of engineering group subcommittee of the New England Conference of Public Utility Engineers re: reliability of electric service.

Inspected periodically storm damage to overhead lines in the city of Gardner and neighboring towns.

Attended meetings of working committee of NEPOOL at New England Electric System headquarters at Westboro.

Conferred with the Department of Highways and Waterways re: transmission road and waterway clearances.

Attended regular monthly meetings of utility company accounting group to discuss accounting procedures.

Made periodic inspections of progress of construction of atomic generating plants in Maine, Vermont, Connecticut and Massachusetts.

Held conference with manager of REMVEC re: reliability of electric generation and improved procedures for reporting to the Department

Witnessed sound level and effluent test at Boston Edison Company's new turbine jet installation at Framingham.

Started organization work on Underground Residential Distribution Code for Massachusetts.

Periodic inspections of progress of construction of Boston Edison Company's atomic electric plant at Plymouth.

Conferred with representatives of the Clean Air Committee from Sandwich and representatives of the Massachusetts Department of Public Health re: pollution problems from the Canal Plant.

Attended public hearing held by Massachusetts Department of Public Health to set air contaminant standards.

At Ashburnham held conference with Municipal Light Department manager re: use of depreciation funds.

Conferred with manager of Massachusetts Electric Company re: emergency procedure for voltage reduction and load shedding.

Electrical Engineering, cont'd

Conferred with engineers at New England Power Company re: air pollution and noise problems at Brayton Point Generating Station.

Conferred with engineers at Boston Edison Company re: load shedding and voltage reduction emergency procedures.

Conferred with officials of Boston Edison Company and Massachusetts Electric Company re: reliability of service.

Investigated in the field the voltage reduction procedures of Massachusetts Electric Company at Lowell and Malden.

Conferred on several occasions with the Chairman of the Interim Planning Committee of Nepool re: reserves, capabilities and other subjects re: reliability of electric service in Massachusetts.

Conferred with New England Gas and Electric Association personnel re: details of their emergency load relief plans (voltage reduction, load shedding, etc.)

Investigated claim of excess use of town water by Canal Electric Company plant at Sandwich.

Conferred with REMVEC on reporting procedures and required information re: voltage reduction.

Investigated low voltage problem of Massachusetts Electric Company in North Shore area.

Attended demonstration of electronic device to detect faults in electric transmission lines.

Held conferences re: establishment of a formal agreement for a bulk power pool for the New England states.

Attended meeting of special committee to determine feasibility of a mutual aid agreement between municipal departments and private electric companies in Massachusetts.

Conferred with Wakefield Municipal Light Department in Wakefield on emergency electric load relief plans.

Organized a committee to prepare a Massachusetts Utility Code for Direct Burial of Underground Distribution Systems.

Electrical Engineering, cont'd

Inspected construction of Northfield Mountain Pumped Storage Plant.

At Northfield, examined and verified vouchers relating to expenditures by Western Massachusetts Electric Company.

Met with Federal Power Commission and New England regulatory agency representatives in Boston to form a Northeast Power Staff Committee.

Attended NEPEX management meeting re: NEPEX Power Pool Agreement.

Attended meeting at Federal Power Commission, Washington D.C. headquarters, to discuss national electric and gas shortage.

Attended meeting of staff from regulatory agencies in New England representing New England Committee of State Commissioners.

Conducted meeting for promulgation of a State Underground Residential Distribution Code.

Held conference with regard to complaint of low voltage on system of Massachusetts Electric Company.

Attended meeting on Mutual Aid Plan for restoration of electric service at Westboro.

Held conference with representatives of Massachusetts Electric Company re: procedure for determining Stores Expense allocations.

WATER

At Stockbridge Water Company, held conference with the Treasurer of the company re: proposed rate increase. Also investigated a number of complaints as to poor service.

Held conference with Housatonic Water Company personnel re: problems relating to the company's distribution system.

At Hancock, investigated problems of poor water pressure and interruptions of supply. Also held conference re: compliance with Department of Public Utilities and Department of Public Health regulations.

At Amherst, held conference with Public Health Department re: water supply problems.

At Cheshire, checked status of new development and held conference with company management re: supply problems. Also held conference with town counsel and Board of Selectmen re: possible purchase of the company. In addition, held conference with the company manager re: proposed rates to be charged for water for cooling and refrigeration at new customer installation.

At West Stockbridge, held conference with owner of water company re: status of proposed improvements to Lenox Mountain reservoir.

At Housatonic, attended meeting of Great Barrington Board of Selectmen to discuss petition of customers of the Housatonic Water Company and to install water pressure recording instruments in various customer dwellings.

At Amherst, held conference with Department of Public Health re: various water problems.

At Cheshire, inspected site of proposed construction of 6" water main by Cheshire Water Company.

At Housatonic, installed water pressure recording instruments.

Installed water pressure recording devices to make pressure survey for proposed development to be supplied by Cheshire Water Company.

### Gas Meter Inspection

During the past fiscal year, 164,205 gas meters were tested and inspected as required by statute. Those meters found to be registering correctly were sealed and badged as required.

Two hundred sixty-six gas meters were tested on complaint and of this number one hundred ninety-one were found to be registering correctly; i.e., registering within two per cent plus or minus.

### Gas Inspection

During the period from July 1, 1969 through June 30, 1970, this Division made 200 gas inspections relative to heat content and odorant. These inspections showed no violations of the legal standards.

Under the provisions of section 109, Chapter 164, "the gas of every company which supplies more than fifty customers shall be inspected at least twice a year and as much oftener as the department may determine, the department may from time to time establish a new standard for purity for gas, and after a public hearing determine how many grains of sulphur and ammonia per hundred cubic feet of gas maybe permitted but not more than thirty grains of sulphur per hundred cubic feet and no sulphuretted hydrogen shall be allowed."

### Fees

During the past year this Division received \$88,929.00 in fees for the testing of gas meters.

### Gas Incidents

During the year one hundred sixty-three incidents involving gas were reported to the Department. There was one fatality which was investigated by the staff. Other investigations were conducted where such action appeared to be warranted.

### Gas Complaints

During the year there were 737 complaints relating to gas which may be broken down as follows: 383 on billing; 138 shut-offs; 55 on quality; 117 miscellaneous, 16 extensions and 28 on service.

### Electric Complaints

During the year there were 852 complaints relating to electricity which may be broken down as follows: 418 on billing; 171 shut-offs; 103 on quality; 137 miscellaneous; 23 extensions and 5 on service.

Electrical Accidents

Summary sheets outlining briefly electrical fatalities and injuries reported to the Department during the fiscal year are on file in the Engineering Division of the Department.

There were 18 electrical fatalities reported and all were investigated by members of the staff to determine whether there was any negligence on the part of the utility company.

Non-fatal accidents were also investigated in many cases where further Department inquiry appeared to be warranted.

Electric Outages

Under Department requirements all Massachusetts electric companies and municipal light departments are to report outages of 200 customer outage hours or greater and those that produce a substantial adverse effect or hardship on the public.

Attached is statistical data on outages reported during the past fiscal year.

1969

MONTHLY ELECTRICAL OUTAGE REPORT  
COMMONWEALTH OF MASSACHUSETTS  
Department of Public Utilities - Engineering Division

|  | Jan.               | Feb.              | Mar.               | Apr.                | May               | June                | July               | Aug.               | Sep.               | Oct.               | Noy.                | Dec.               | Year               |
|--|--------------------|-------------------|--------------------|---------------------|-------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| 1. Number of electric companies and municipal electric departments, of over 100 ultimate customers | 53                 | 53                | 53                 | 53                  | 53                | 53                  | 53                 | 53                 | 53                 | 53                 | 53                  | 53                 | 53                 |
| 2. Number of above reporting "reportable outages"  | 17                 | 22                | 8                  | 10                  | 16                | 15                  | 12                 | 13                 | 12                 | 10                 | 18                  | 22                 | 28                 |
| 3. Number of "reportable outages"  | 72                 | 525               | 108                | 104                 | 228               | 114                 | 117                | 97                 | 86                 | 41                 | 103                 | 158                | 1753               |
| 4. Customers affected, thousands   | 83                 | 437               | 135                | 117                 | 153               | 128                 | 199                | 136                | 128                | 55                 | 115                 | 176                | 1862               |
| 5. Customer-outage hours, thousands  | 90                 | 1684              | 186                | 119                 | 403               | 151                 | 161                | 131                | 124                | 54                 | 130                 | 330                | 3563               |
| 6. Cause of outages, per cent  |                    |                   |                    |                     |                   |                     |                    |                    |                    |                    |                     |                    |                    |
| a. cable faults  | 24%                | 5%                | 20%                | 25%                 | 6%                | 20%                 | 17%                | 19%                | 18%                | 13%                | 24%                 | 9%                 | 13%                |
| b. equipment failures  | 10%                | 2%                | 11%                | 16%                 | 5%                | 13%                 | 14%                | 5%                 | 11%                | 7%                 | 9%                  | 9%                 | 7%                 |
| c. Car hit pole  | 3%                 | 1%                | 7%                 | 23%                 | 5%                | 14%                 | 19%                | 11%                | 6%                 | 32%                | 15%                 | 13%                | 9%                 |
| d. wind, storm, lightning  | 39%                | 88%               | 35%                | 11%                 | 74%               | 45%                 | 26%                | 33%                | 30%                | 18%                | 20%                 | 55%                | 54%                |
| e. snow, tree limbs, ice, on overhead wires  |                    |                   |                    |                     |                   |                     |                    |                    |                    |                    |                     |                    |                    |
| f. other   | $\frac{4\%}{20\%}$ | $\frac{2\%}{2\%}$ | $\frac{18\%}{9\%}$ | $\frac{12\%}{13\%}$ | $\frac{5\%}{5\%}$ | $\frac{12\%}{10\%}$ | $\frac{8\%}{10\%}$ | $\frac{4\%}{16\%}$ | $\frac{5\%}{28\%}$ | $\frac{2\%}{30\%}$ | $\frac{9\%}{100\%}$ | $\frac{1\%}{23\%}$ | $\frac{1\%}{13\%}$ |
| 7. Duration of average reportable outage, hours  | 1.1                | 3.8               | 1.4                | ..0                 | 2.6               | 1.2                 | 0.81               | 0.96               | 0.97               | 1.0                | 1.1                 | 1.8                | 1.9                |

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This report summarizes outage reports as submitted by all electric companies and departments, of over 100 ultimate customers, in compliance with our letter of March 18, 1968. Only outages of 200 or more customer outage hours are required to be reported. These are designated "reportable outages."

Total number of customers, in Massachusetts, as of December 31, 1968, based on bills rendered, per annual return, page 38, was 1,957,992.

MONTHLY ELECTRICAL OUTAGE REPORT  
COMMONWEALTH OF MASSACHUSETTS  
Department of Public Utilities - Engineering Division

1970

|  | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. |
|--|------|------|------|------|-----|------|------|------|------|------|------|
| 1. Number of electric companies and municipal electric departments, of over 100 ultimate customers | 53   | 53   | 53   | 53   | 53  | 53   | 53   | 53   | 53   | 53   | 53   |
| 2. Number of above reporting "reportable outages"  | 8    | 14   | 9    | 14   | 13  | 15   |      |      |      |      |      |
| 3. Number of "reportable outages"  | .61  | 129  | 55   | 75   | 65  | .89  |      |      |      |      |      |
| 4. Customers affected, thousands   | 49   | 167  | 88   | 98   | 96  | 138  |      |      |      |      |      |
| 5. Customer-outage hours, thousands  | 101  | 201  | 87   | 68   | 124 | 118  |      |      |      |      |      |
| 6. Cause of outages, per cent  |      |      |      |      |     |      |      |      |      |      |      |
| a. cable faults  | 37%  | 16%  | 20%  | 20%  | 15% | 28%  |      |      |      |      |      |
| b. equipment failures  | 16%  | 8%   | 20%  | 16%  | 15% | 8%   |      |      |      |      |      |
| c. car hit pole  | 11%  | 7%   | 16%  | 12%  | 25% | 10%  |      |      |      |      |      |
| d. wind, storm, lightning, snow, tree limbs, ice, on overhead wires                                | 28%  | 65%  | 16%  | 36%  | 18% | 29%  |      |      |      |      |      |
| e. scheduled   | 0%   | 1%   | 4%   | 1%   | 7%  | 5%   |      |      |      |      |      |
| f. other   | 3%   | 3%   | 24%  | 15%  | 20% | 20%  |      |      |      |      |      |
| 7. Duration of average reportable outage, hours  | 2.0  | 1.2  | 1.0  | 0.70 | 1.2 | 0.8  |      |      |      |      |      |

This report summarizes outage reports as submitted by all electric companies and departments, of over 100 ultimate customers, in compliance with our letter of March 18, 1968. Only outages of 200 or more customer outage hours are required to be reported. These are designated "reportable outages."

Total number of customers, in Massachusetts, as of December 31, 1969, based on bills rendered, per annual return, page 38, was

Rules and Regulations relating to the Engineering Division:

D.P.U. 1073-C: requires the filing of reports to the Department where there is a fatality or substantial property damage caused by gas or electricity.

D.P.U. 4980: requires the filing of schedules of additions, betterments and retirements to plant and general equipment accounts by the various utility companies.

D.P.U. 12769: regulates the building of ways over the pipelines of natural gas transmission companies.

D.P.U. 11725-D and D.P.U. 11725-E: regulate natural gas distribution companies.

D.P.U. 9734-B regulates natural gas transmission companies.

Chapter 370, Acts of 1963, as amended by Chapter 403 of the Acts of 1968, requires contractors and others to notify the local utility company before digging in the streets. In turn, the Department requires utility companies to file monthly reports to the Division concerning breaks in their facilities in the streets.

Monthly reports required by the Engineering Division:

Odorization reports from gas transmission and distribution companies.

Number of fire valves installed by each gas utility company or municipal gas department.

Number of gas meters tested each month by each gas company or municipal gas department.

Number of gas meters tested by the Department.

System voltage reductions as they occur.

System load sheddings.

Electrical outages of 200 or more customer outage hours.

Number of breaks in gas company facilities in the streets reported monthly.

Periodic reports of gas main construction as required by D.P.U. 11725-E.

Such other statistical information as required by Department from time to time.

During the fiscal year the Engineering Division examined the schedules of additions, betterments and retirements to plant and general equipment accounts of the following companies in accordance with D.P.U. 4980:

Boston Gas Company  
Boston Edison Company  
Lynn Gas Company  
North Shore Gas Company

Lawrence Gas Company  
Mystic Valley Gas Company

Maine Yankee Atomic Plant  
Vermont Yankee Atomic Plant  
Connecticut Yankee Atomic Plant  
Boston Edison Company Nuclear plant (under construction)  
Brockton Taunton Gas Company  
Worcester Gas Company  
Buzzards Bay Gas Company  
Lowell Gas Company

DIVISION OF RAILWAY AND BUS UTILITIES

Railroad and Street Railway

During the fiscal year the Division made 1,620 inspections of rolling stock, including passenger and freight cars, street railway cars and trackless trolley coaches, 643 inspections of railroad and street railway bridges, 650 inspections of railroad and street railway stations, 1408 inspections of railroad and street railway automatic and interlocking signals, 70 inspections of Remote Control C.T.C. and interlocking stations and 250 automatic train stops. In addition, switches, derails, foot blocking, bridge guards, crossings and crossing signs were inspected and defective conditions were called to the attention of the proper officials of the companies and corrections were made.

The Division investigated 120 accidents and 80 delays in service on railroads and 40 accidents and 29 delays in service on street railways. There were 124 complaints relative to railroad operations and 21 complaints on street railways investigated and adjusted. There were 92 studies and investigations pertaining to railroads and 39 on street railways. The Division held 25 public hearings pertaining to railroads and 0 on street railways, and issued 26 orders affecting railroads.

Motor Bus Transportation

At the close of the fiscal year there were 203 persons, associations or corporations, including street railway corporations, operating within the Commonwealth of Massachusetts for the carriage of passengers for hire as follows:

|                        |           |
|------------------------|-----------|
| Common Carriers Only   | 20        |
| Charter Only           | 60        |
| Common & Charter       | 78        |
| School Service Permits | <u>45</u> |
| Total                  | 203       |

This represents a total of 98 carriers operating under certificates of public convenience and necessity as common carriers and 138 operating under charter licenses, also 45 carriers other than our regular carriers operating under school service permits issued by the Department.

During the course of the fiscal year the Department handled 362 applications for School Service and Special Service Permits, denying 3 such applications and cancelling 7.

There were 4,418 Bus Permits issued (including duplicates) and 8,769 Bus Drivers' Licenses (including duplicates), for which fees aggregating \$28,834.50 were received.

The Division made 9,691 inspections of buses, 957 inspections of bridges over which buses are operated in regular route operations and 20 inspections over routes for new certificates of operation. There were 105 complaints relative to buses investigated and adjusted, and 36 accidents investigated pertaining to bus operations. There were 1,372 drivers examined for bus drivers' licenses. The Division conducted 73 public hearings pertaining to bus operations and issued 31 orders relating to bus operation, 25 certificates of public convenience and necessity, 12 new Charter Licenses and 11 Temporary Licenses. There were 205 special studies and investigations made regarding transportation in various parts of the Commonwealth, and the Department participated in a number of Interstate Commerce Commission Joint Board Hearings relating to bus operation.

|   |             |
|---|-------------|
| Bus Permits Issued (including duplicates)                         | 4,418       |
| Fees Received for Permits (including duplicates)                  | \$11,305    |
| Bus Drivers' Licenses Issued (including duplicates)               | 8,769       |
| Fees Received for Bus Drivers' Licenses (including duplicates)    | \$17,529.50 |
| School and Special Service Permits Issued                         | 362         |
| Fees Received for School and Special Service Permits              | \$1,458     |
| Bus Inspections   | 9,691       |
| Fees Received for Bus Inspections                                 | \$2,476     |
| Drivers Examined for Licenses                                     | 1,372       |
| Fees Received for Bus Drivers' Examinations                       | \$4,989     |
| Bus Accidents Investigated  | 36          |
| Bus Delays in Service Investigated                                | 50          |
| Bus Complaints Investigated                                       | 105         |
| Investigations of Bridges on Routes over which Buses are Operated | 957         |
| Inspection of New Bus Routes                                      | 20          |
| Special Investigations and Studies on Buses                       | 205         |
| Investigated Bus Operating Violations                             | 242         |

Railroads and Street Railways

|   |       |
|---|-------|
| Inspections of Rolling Stock, including R.D.C.'s, Trackless Trolley and Street Railway Cars | 1,620 |
| Inspections of Railroad and Street Railway Stations   | 650   |
| Inspections of Railway and Street Railway Bridges   | 957   |
| Inspections of Railroad and Street Railway Automatic and Interlocking Signals               | 1,408 |
| Inspections of Interlocking, C.T.C. and Remote Control Systems                              | 70    |
| Inspection of Automatic Train Stops   | 250   |
| Accidents Investigated on Railroads   | 120   |
| Accidents Investigated on Street Railways   | 40    |
| Delays in Service Investigated on Railroads   | 80    |
| Delays in Service Investigated on Street Railways   | 29    |
| Complaints Investigated on Railroads re Operation   | 124   |
| Complaints Investigated on Street Railways re Operation                                     | 21    |
| Inspected Grade Crossings   | 2,130 |
| Bells Inspected at Railroad Grade Crossings   | 280   |
| Gates Inspected on Railroads  | 390   |
| Lights Inspected at Grade Crossings on Railroads  | 1,005 |
| Inspections of Railroad and Railway Bridges   | 643   |

The Division conducted its annual inspection of the main lines and branch lines of the railroads operating within the Commonwealth, which consisted of 1,680 miles of track. The inspection included the condition of the track, ties and road bed, 1,205 grade crossings, the condition and location of crossing warning signs (s. 140, e. 160; s. 142, e. 160) and of the crossing surface (s. 103, e. 160) and 643 railroad bridges.

Several instances of undesirable conditions at some locations made it imperative that immediate corrections be effected. All other noted defects were discussed on the ground with comparable, responsible railroad personnel, and definite maintenance programming established.

COMMERCIAL MOTOR VEHICLE DIVISION

At the close of the fiscal year, the Division exercised supervision over 524 regular route common carriers, 7883 irregular route common carriers, 8323 interstate carriers, 374 contract carriers and 92 agricultural carriers actively engaged in the transportation of property by motor vehicle for hire within the Commonwealth. There were also 10 holders of transportation brokers' licenses. The Division issued 125,197 distinguishing plates to registered carriers and received in fees from all sources a total of \$411,429.68.

During the period covered by this report, a total of 1225 public hearings were conducted by the Commercial Motor Vehicle Division of which 850 represented hearings held on new applications or amendments to existing certificates and permits and 375 on requests for approval of stock acquisitions and transfers of existing operating authorities.

A total of 316 complaint hearings were conducted during this period and included 142 hearings on carriers delinquent in filing annual financial reports (D.P.U. 13773), and 158 hearings for failure to render service as a common, contract or interstate carrier within the period of time specified by statute. Investigators of the Division conducted 1423 road and cargo checks in all sections of the Commonwealth. Employees of this Division served on or presided at 7 Joint Hearings in conjunction with the Interstate Commerce Commission.

A total of 471 irregular route common carrier certificates, 26 contract carrier permits and 380 interstate licenses were issued from July 1, 1969 to June 30, 1970. The Division processed 8 formal court cases and prepared written reports on 201 formal investigations.

During this same period, after individual hearings, the Division revoked the irregular route common carrier certificates of 104 carriers. This action followed evidence that such carriers had either failed to render service for a period in excess of ninety (90) days or had failed to file annual financial reports as required by Department order. The Department also revoked 7 contract carrier permits for failure to render service for a period of one year. In nearly all cases the carrier failed to appear at the scheduled hearing and neglected after notice to supply the Department with any valid reason for non-appearance.

Reciprocal arrangements with 23 other States and the District of Columbia were continued in effect. The progressive growth in the work load of the Division is readily seen from comparative statistics over the past five (5) year period.

|                            | 1966      | 1967      | 1968      | 1969      | 1970         |
|----------------------------|-----------|-----------|-----------|-----------|--------------|
| Total Income               | \$321,992 | \$336,221 | \$332,585 | \$362,544 | \$411,429.68 |
| Number of<br>Plates Issued | 97,809    | 103,058   | 105,942   | 109,904   | 125,197      |

During this period studies were made and formal data and reports prepared on the following matters:

- a - Continuing studies and reports were made as to the advisability of entering into cooperative agreements with various Federal agencies on transportation matters. It is believed such legislation will be enacted during the current session of the Legislature.
- b - Reports were submitted on the question of establishing maximum rates and charges for towing of certain motor vehicles within the Commonwealth.
- c - Hearings were held, investigations conducted and recommended reports submitted on the question of overloading by dump truck operators. The Division participated actively in a series of public hearings on the question of the propriety of the present minimum rates and charges covering the transportation of commodities suitable for dump unloading as established by the Department.
- d - Studies are continuing as to the best and most practical means of implementing the Commonwealth's participation in the new uniform Federal Public Law 89-170 which becomes effective December 1, 1971 and with which compliance is mandatory in order to continue regulation of interstate carriers using the highways of Massachusetts in interstate commerce.
- e - Pertinent studies are being made and prearranged conferences held as to the motor carrier operations of the Railway Express Agency (R.E.A.). These matters are concerned with the Agency's service to the public, curtailments in service, and the advisability of reissuing the Agency's certificates of operation to have them more clearly reflect present operations and elimination of duplicate services. This becomes necessary because of the curtailment of rail service in certain areas of the Commonwealth with its resultant effect on the express operations of the Agency.
- f - Various conferences were held and plans instituted with respect to the transportation and disposal of waste materials by motor vehicles within the Commonwealth. In these days of great concern over waste material disposal, this segment of the motor carrier industry has become one of the largest and most important activities in the Commonwealth.

In this connection the Division is involved by attempting to place restrictions and conditions on the certificates of the carriers involved so as to insure protection against further pollution of air, land and water in the transportation and disposal of such waste materials in the Commonwealth.

DIVISION OF INVESTIGATION OF SECURITIES

GENERAL OPERATIONS

The Division of Investigation of Securities is a Division operating under the supervision of the Commission of the Department of Public Utilities.

The purpose of the Division is to administer Chapter 110A of the General Laws, as amended, known as the Sale of Securities Act. This chapter was enacted August 26, 1921, for the purpose of controlling the sale of securities, to register persons selling the same, and to prevent the fraudulent promotion and sale of fraudulent securities.

The fee for original and renewal registration is \$100 in the case of a broker and \$10 in the case of a salesman; also, a fee of \$10 is required for recording the transfer of a registered salesman from the employ of one broker to another broker. The fee for the filing of a Notice of Intention to Offer for Sale is \$25 and the fee for filing of a petition requiring the approval of the Commission is \$10. Based on these fees, the income for the Division for the fiscal year amounted to \$274,516, an increase of \$24,191 over the previous fiscal year.

REGISTRATION ACTIVITIES

All brokers and salesmen engaged in the business of selling securities in this Commonwealth must be registered and renewed annually with this Division. During the fiscal year ended June 30, 1970, 1,159 brokers and 10,410 salesmen were registered or renewed; also, 1,119 transfer registrations were issued for salesmen transferring from the employ of one broker to another broker.

Applicants for registration as brokers or salesmen, pursuant to Section 10 of the Chapter, were required to file information statements signed under oath showing their past occupations, criminal records, if any, letters of reference, etc. All applicants for registration as brokers were given an oral examination and a personal interview in order to demonstrate their qualifications for engaging in the securities business. All applicants for registration as securities salesmen were required to take a written examination to test their knowledge of the Massachusetts Sale of Securities Act. This examination is administered every Tuesday at the N.A.S.D. Testing Center, Northeastern University, Boston, Massachusetts, and, upon request, at other N.A.S.D. Testing Centers throughout the country. All applicants are investigated through the Board of Probation to determine whether they have any criminal record.

Brokers conducting a general security business were required to file annual statements showing their financial condition. These statements are kept in a separate file and in accordance with Section 12 of the Chapter are not open to public inspection.

The following comparative schedule shows the continuing increase in the number of registered persons engaged in promoting the sale of securities in this Commonwealth:

| <u>Source of Income</u> | <u>Fiscal<br/>Yr. Ended<br/>6-30-69</u> | <u>Fiscal<br/>Yr. Ended<br/>6-30-70</u> | <u>Increase<br/>by Num-<br/>bers</u> | <u>% of<br/>Increase</u> |
|-------------------------|---|---|--------------------------------------|--------------------------|
| Broker Registrations    | 989                                     | 1,159                                   | 170                                  | 17.19                    |
| Salesman Registrations  | 9,917                                   | 10,410                                  | 493                                  | 4.97                     |
| Transfers of Salesmen   | 643                                     | 1,119                                   | 476                                  | 74.03                    |

QUALIFICATION OF SECURITIES

As required by Section 5 of the Securities Act, a Notice of Intention to Offer for Sale, together with certain other relevant information, must first be filed with the Commission before a security may be offered for sale in this Commonwealth. However, certain exemptions to this filing have been provided for in Sections 3 and 4 of the Securities Act. During the fiscal year 1,710 Notices of Intention were filed. In dollar amount these Notices represented millions of dollars invested in all types of security issues by the investing public of this Commonwealth.

Section 11E of our Sale of Securities Act reads in part as follows: "No foreign or domestic corporation shall sell, or offer for sale, any of its securities to any of its employees other than those who are officers thereof, unless such corporation has received general authority from the Commission to make such sale". Pursuant to the provisions of this Section, 30 petitions were submitted to this Division, all of which met the requirements of the statute and were approved by the Commission.

Section 11 of our Sale of Securities Act reads in part as follows: "No person shall sell any security, including periodic payment plan certificates, which is to be paid for upon an instalment or partial payment plan, unless such plan has first been approved by the Commission". Pursuant to the provisions of this Section, 24 petitions were submitted to this Division, all of which met the requirements of the statute and were approved by the Commission.

The Division required reports to be filed annually by 1,049 corporations, companies, associations and trusts having their securities qualified for sale in this Commonwealth. These reports are examined by the accounting personnel of the Division and are retained on file for the use of the public and, in some instances, are the only reports available for public examination.

639 investment companies, or so-called investment trusts, having their securities qualified for sale in the Commonwealth, were required to file annual reports with the Division. These reports are also examined and analyzed by our accounting personnel and are open to the public for inspection.

#### INVESTIGATION ACTIVITIES

During the fiscal year the Division received several complaints from the public alleging the misuse of customers' funds, failure to deliver stock certificates, overcharge on commission rates and the sale of unqualified securities.

Investigation of these types of complaints disclosed that in most instances the volume of business and the amount of paper work caused a breakdown in the so-called Back room operations" in certain houses. This condition is being corrected. Meanwhile, the industry is cooperating with the regulatory authorities.

Other alleged violations of the Securities Act have been investigated and disposed of to the satisfaction of all parties concerned or are in the process of being investigated by the Division.

The Commission found that Gemma Securities, Inc., a registered Massachusetts Broker, violated the Massachusetts Sale of Securities Act inasmuch as it sold securities that were not, at the time of sale, qualified pursuant to the provisions of Section 5 of Chapter 110A of the Massachusetts General Laws, as amended. Also, on unsolicited agency transactions, the broker failed to tell the customers concerned that the securities of certain companies were not qualified for sale in Massachusetts. Further, written confirmation of this fact, as required by Section 5A of the Massachusetts Sale of Securities Act, was not made.

After notice, public hearing, investigation and consideration, the registration of Gemma Securities, Inc., as a Broker-Corporation was suspended by the Commission and so recorded in the Register.

#### SECURITIES LAW REVISION

During the year a special Advisory Committee to recommend changes in the Commonwealth's laws relating to the promotion and sale of securities was named by Governor Francis W. Sargent. This Committee has held several meetings and has drafted a new law based on the Uniform Securities Act, an Act that has been adopted or substantially adopted with modifications in 27 different states. The Committee will undoubtedly recommend to the Governor that legislation be filed in the next session of the Legislature for the enactment of a new Securities Law.

#### CONCLUSION

No Securities Law, however well designed, can be better than its administration.

This Division is a small agency of the State Government in terms of its budget and personnel and during the past two years has operated under difficult conditions involving a very heavy workload. The Division has a close working relationship with the United States Securities and Exchange Commission, the National Association of Security Dealers, the Boston Stock

Exchange and other State regulatory agencies. The Division expresses its appreciation to these agencies for their cooperation in regulating the promotion and sale of securities.

DIVISION OF RATES AND RESEARCH

During the fiscal year the various utilities and/or common carriers filed with the Division Tariffs, Schedules and Contracts, in the number and to the extent indicated below:

|  |      |
|--|------|
| Railroads (Freight and Passenger)        | 1022 |
| Gas and Electric                         | 299  |
| Bus and/or Street Railways               | 57   |
| Steamship (Freight and Passenger)        | 0    |
| Water                                    | 6    |
| Aircraft (Freight and Passenger)         | 5    |
| Telephone                                | 32   |
| Miscellaneous Telegraph                  | 2    |
| Railway                                  |      |
| Express                                  | 9    |
| Motor Truck (Examined and Accepted)      | 3750 |
| (Examined and Rejected)                  | 756  |
| Annual Motor Carrier of Property Reports | 2759 |

In addition to the filings shown above, the Division received, examined and issued formal orders on 166 petitions seeking a waiver of the statutory filing requirements or of Department rules governing the filing of tariffs.

During the same period, approximately 720 informal conferences were held on rate matters with various officials or representatives of common carriers and other utilities.

Also during this time, the Division received numerous complaints and inquiries regarding rate matters from the utility companies and from customers of the various utility companies. Since most of these inquiries and complaints are received by telephone, and thus cannot be considered as official, no count or record is kept. If the personnel of this Division are unable to handle such complaints because of the need for investigations, then said complaints are referred to those Divisions which have personnel to make the investigation required.

With regard to the Annual Motor Carrier of Property Reports, which are required under D.P.U. 13773 to be filed on or before April 30 of each year, the personnel of the Division prepared for mailing approximately 3,200 of the required forms during the month of February. A survey taken during the month of June, 1970 revealed that carriers in the number of six hundred (600) had not

filed Annual Motor Carrier of Property Reports as required under D.P.U. 13773. As a result, the Division is forwarding to the delinquent carriers notices of revocation if the required report is not filed within thirty (30) days from date of notice.

The Division has now re-instituted its survey of common carrier tariff filings with respect to said tariffs complying with the rules and regulations of the Department. The survey had been curtailed in the previous year due to a shortage of personnel caused by the illness and subsequent retirement of a member of the Division staff. As a result of this survey, a number of carriers have now brought their tariffs into compliance with the Department's rules and regulations. Also, proper posting of tariff supplements is now being done on all tariff filings, especially agency filings which had been neglected over the past few years as a result of a lack of personnel.

During the fiscal year, the Division collected fees for the filing of certain documents in the amount of \$29,436.60.

TELEPHONE AND TELEGRAPH DIVISION

The Commonwealth of Massachusetts is served by the following six (6) telephone companies, with over 99% of the service provided by the New England Telephone and Telegraph Company:

Columbia & Rensselaer Telephone Company  
Granby Telephone and Telegraph Company  
Elizabeth Islands Telephone Company  
\*Massachusetts-Connecticut Mobile Telephone Company  
New England Telephone and Telegraph Company  
Richmond Telephone Company

\*(The above miscellaneous radio carrier, by virtue of interconnection with land line carriers, thereby giving a through service of radio and telephone, becomes an operating telephone company under the jurisdiction of the Department).

As of June 30, 1970, there were 3,450,129 telephones in Massachusetts, representing an increase of 149,885 telephones over the previous year ending June 30, 1969. These figures pertain only to the New England Company (excluding the other five (5) companies which combined approximate only 3,000 telephones), broken down as follows:

|                             | <u>June 30, 1970</u> | <u>June 30, 1969</u> | <u>Increase</u> |
|-----------------------------|----------------------|----------------------|-----------------|
| Residence Main              | 1,704,540            | 1,651,795            | 52,745          |
| Business Main               | 289,793              | 277,865              | 11,928          |
| Total Main Telephones       | 1,994,333            | 1,929,660            | 64,673          |
| Residence Extensions        | 703,523              | 663,844              | 39,679          |
| PBX & Business Extensions   | 752,273              | 706,744              | 45,529          |
| Total Telephones            | 3,450,129            | 3,300,244            | 149,885         |
| Total Telephone Subscribers | 2,000,921            |                      |                 |

During this period, there were 3,576 formal complaints made to the Division for assistance relative to telephone and telegraph matters which required special research and investigation, with written reports made on all such complaints. Many informal inquiries were also made to the Director and personnel of the Division.

The following figures are submitted to indicate the significant increase in volume of complaints received over the past few years:

| <u>Period</u>                | <u>Complaints Received</u> | <u>Increase over Previous Year</u> |
|------------------------------|----------------------------|------------------------------------|
| July 1, 1964 - June 30, 1965 | 867                        |                                    |
| July 1, 1965 - June 30, 1966 | 1,020                      | 153                                |
| July 1, 1966 - June 30, 1967 | 1,122                      | 102                                |
| July 1, 1967 - June 30, 1968 | 1,865                      | 743                                |
| July 1, 1968 - June 30, 1969 | 2,562                      | 697                                |
| July 1, 1969 - June 30, 1970 | 3,576                      | 1,014                              |

It should be noted that the increase in the past year is more than the total complaints received in the year ending June 30, 1965. The Division has been without any permanent clerical help during the past year or more and it has been necessary to assign two of the four inspectors in the Division to perform the work of handling the huge increase in the number of telephone calls.

During this period there were many tariff changes which should result in improved telephone service. Some of the more important changes were:

Revisions of the private line services tariff as they relate to the connection of customer-provided terminal equipment and communications systems. The telephone company has also revised the private line tariff regulations as they pertain to the creation of additional channels by use of customer-provided devices and introduced rates and regulations for the provision of Entrance Facilities and Joint Use arrangements. In conjunction with these modifications, they are changing the private line service tariff to adopt the terminology and format of their interstate private line service tariff.

Other changes were necessary as the result of the new interconnection regulations. These revisions provide for (1) a mixture of telephone company and customer provided teletypewriter equipment on the same private line; (2) the connection, at a customer's premises, of a private line channel to another private line channel through switching equipment provided by the customer or the telephone company; (3) the provision of private line channels to connect customer provided communications systems with PBX or Centrex systems or other switching equipment furnished to the customer by the telephone company, and the connection of these channels to the message network or to other private lines through switching equipment provided by the telephone company or the customers.

The introduction of Custom Calling Service in the Wellesley exchange as a regular service offering. Custom Calling Service has been offered on an experimental basis in the Wellesley exchange since February 1966. A continued demand for this service has been maintained throughout the trial period and experience indicates that it should be provided as a regular service offering.

The introduction of rates and regulations for an extension bell, identified as a Tone Ringer, for persons with impaired hearing.

A change in the Teletypewriter Exchange Service tariff to remove restrictive regulations pertaining to "foreign attachments or connections" and "miscellaneous devices provided by the customer" and the introduction of a regulation to provide for the connection of customer provided equipment or channels.

A modification of the tariff regulations relating to acoustic and inductive data connections to provide that the telephone company, upon request of a customer, will establish power levels on exchange lines at a customer's premises.

The establishment of a non-recurring charge where a premise visit is made at the customer's request to establish signal power levels on exchange lines in connection with acoustic or inductive data connections involving data transmitting terminal equipment.

The introduction of a regulation to provide for the connection of customer provided channel derivation devices on the exchange and message toll network.

The introduction of Bay State Service and Circle Calling Service as a permanent service offering. Bay State Service and Circle Calling Service have been offered on an experimental basis in selected exchanges since November 1, 1966. A continued demand for these services has been maintained throughout the trial period and experience indicates that they should be provided as regular service offerings.

A modification of the "Limitations and Use of Service" provisions of the general regulations to permit:

The private branch exchange service of a customer to be used by and provided to business tenants of a customer in the business of providing office space and secretarial service to the transients.

The use of service by persons temporarily leasing a customer's residential premises and the incidental and occasional use of service by a social or business visitor.

The introduction of rates and regulations for a communicating service known as "Apartment Door Answering Service".

The introduction of specific rates and charges for currently available manual and automatic voice connecting arrangements used to connect customer provided communications systems to the exchange and message toll network.

The introduction of a regulation to allow an aeronautical communications company licensed under the Aviation Services rules of the Federal Communications Commission to order private line services to be used by air lines.

The introduction of rates and charges for a send only 200 Series DATA-PHONE Data Set designed to automatically answer an incoming call and to transmit data for use with exchange telephone service and with private line data channels of voice grade quality.

Changed regulations pertaining to the availability and use of Mobile Service. The tariff changes were necessary to implement the addition of new Mobile Radio Telephone Service channels in the Boston Mobile Service area.

The introduction of rates and regulations for Type V Telephone Set Dialer (CALL-A-MATIC) and a revision to certain move, change and installation charge regulations for repertory dialers.

A reduction in the rates for additional Tape Cartridges for the MAGICALL and Dialing Card packages for the CARD DIALER.

The introduction of rates and regulations for Switched Circuit Automatic Network (SCAN) access line terminations and calling arrangements for use in originating Multi-Level Pre-emption calls.

The introduction of rates and charges for an Alarm Coupler with Tone Signalling which is designed to permit a compatible customer provided voice alarm sending device to transmit an alarm message upon receipt of a tone from the control telephone. The Alarm Coupler with Tone Signaling also permits remote testing of the alarm message sending device from a control telephone to determine if the device is operating properly.

BOUNDARY CHANGES BETWEEN THE FOLLOWING TELEPHONE EXCHANGES

|            |                      |
|------------|----------------------|
| Cummington | and Williamsburg     |
| Canton     | and Randolph         |
| Adams      | and North Adams      |
| Fitchburg  | and Lunenburg        |
| Cummington | and Dalton           |
| Charlemont | and Adams            |
| Norton     | and Taunton          |
| Huntington | and Chesterfield     |
| Charlton   | and Sturbridge       |
| Chicopee   | and Holyoke          |
| Chester    | and Becket           |
| Chester    | and Otis             |
| Becket     | and Worthington      |
| Hanover    | and Bryantville      |
| Southwick  | and Westfield        |
| Athol      | and Templeton        |
| Charlton   | and North Brookfield |

A correction of the Dover Exchange boundary to coincide with the Walpole Exchange boundary.

A boundary change to effect the discontinuance of the South Hudson, New Hampshire locality of the Tyngsboro Exchange and to incorporate this locality as a part of the Pelham, New Hampshire Exchange.

A boundary change to effect the elimination of the Magnolia Exchange and to incorporate the existing Magnolia customers into the Manchester Exchange.

EXTENDED LOCAL SERVICE BETWEEN THE FOLLOWING TELEPHONE EXCHANGES

|             |   |              |
|-------------|---|--------------|
| Hubbardston | - | Barre        |
| Hubbardston | - | Princeton    |
| Hubbardston | - | Rutland      |
| Hubbardston | - | Templeton    |
| Hubbardston | - | Westminster  |
| Berlin      | - | Boylston     |
| Foxboro     | - | Sharon       |
| Foxboro     | - | Walpole      |
| Orange      | - | Petersham    |
| Grafton     | - | Whitinsville |
| Marshfield  | - | Norwell      |
| Rochester   | - | Mattapoisett |
| Rochester   | - | Marion       |
| Taunton     | - | Assonet      |
| Taunton     | - | Bridgewater  |
| Taunton     | - | Rochester    |

DISCONTINUANCE OF FOUR-PARTY RESIDENCE SERVICE OFFERINGS  
IN THE FOLLOWING TELEPHONE EXCHANGES

|              |             |
|--------------|-------------|
| Adams        | Brewster    |
| Housatonic   | Harwich     |
| Williamstown | Newburyport |
| Berlin       |             |

This service will no longer be offered for new installations in these exchanges, but present customers may continue at existing locations.

As a result of these tariff filings, the New England Telephone and Telegraph Company estimates these changes will affect their annual revenues with an increase of \$52,865.00 and a decrease of \$216,940.00. There would also be a theoretical saving to thousands of customers who take advantage of the offered optional services based on the charges that would be applicable at regular message toll rates.

A summary of the greatest number of complaints and requests for investigations of telephone service follows:

|  |       |
|--|-------|
| Delayed Installation of Service                                | 1,174 |
| Busy Circuits, Delayed Dial Tone,<br>Line Dead or Out of Order | 953   |
| Failure to Receive Incoming Calls                              | 225   |
| Disconnects and Threatened Disconnection<br>of Service         | 251   |
| Deposit Protests and Request for Refund                        | 82    |
| Billing Complaints   | 233   |
| Regrades, Number Change, Etc.                                  | 125   |
| Pole, Cable and Wire Complaints                                | 51    |
| Service in General (Poor and Inadequate)                       | 224   |
| Transmission Problems (Noise-Static, Crosstalk)                | 90    |
| Threatening, Obscene and Annoyance Calls                       | 27    |
| Calling Area and Boundary Complaints                           | 20    |
| Directory Listings, Intercept and Yellow<br>Page Complaints    | 34    |

STATUS OF "911 EMERGENCY TELEPHONE SERVICE" WITHIN COMMONWEALTH

"911 Service" was made available in the City of Springfield, Massachusetts in April 1969. It was the first municipality in the State to have the service and the second largest in the United States at that time.

In the following communities definite plans have been made and facilities will be provided to implement this service on the dates shown:

|           |   |               |
|-----------|---|---------------|
| Westfield | - | February 1970 |
| Worcester | - | August 1970   |
| Amherst   | - | November 1970 |
| Clinton   | - | January 1971  |
| Chicopee  | - | April 1971    |

In the following communities active discussions are underway with the appropriate public agencies looking toward possible implementation of the service:

|            |         |
|------------|---------|
| Beverly    | Holyoke |
| Boston     | Medford |
| Dighton    | Methuen |
| Framingham | Newton  |
| Greenfield | Revere  |

Innovations, changes and advancements in telephony and communications and in the field of electronics have come with such amazing rapidity that it may be conservatively estimated that there have been more drastic changes, improvements, new services, etc., in the past 5 to 10 years than there had been during the previous 25 years. A few of these changes include data transmission - electronic switching offices (ESS #1 and #2) - microwave transmission (hearings now in progress before the Federal Communications Commission seeking determination whether these operations are those of a carrier) - Telex transmission - miscellaneous radio carriers using interconnections with land line service (thereby becoming operating telephone companies subject to regulation and control by the Department) - DDD (direct distance dialing without the assistance of an operator) - touch-tone (pushbutton telephone which uses frequency modulated ("musical") tones for switching in lieu of dial pulses) - laser (a beam which can be used for transmission purposes -- "laser" meaning "light amplifications stimulated by emissions of radiation") -- information retrieval systems (similar to a computer, storing information before releasing it over a telephone line when queried by a call to a given number) -- confer-vision service (provides simultaneous visual and audible communication between conferees at telephone company facilities - commencing in New York on an experimental offering for two years beginning September 1, 1969) - carrier systems (a single pair of wires can be changed into 8 to 12 circuits and carry 8 to 12 conferences simultaneously before converting back to a single pair of wires).

Respectfully submitted,

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